



RepublicNotes

Newsletter exclusively for the shareholders, clients, employees and followers of Republic Bank of Arizona

SHOP LOCAL. DINE LOCAL. BANK LOCAL.

COMMITTED TO OUR TRUE ARIZONA COMMUNITY BANKING ROOTS

Brian Ruisinger • President and Chief Executive Officer

As we take a moment of pause to reflect on 2021, we see a tremendous effort by our team that is highlighted by the formation of a holding company, raising of capital, a full scope regulatory exam, robust loan and deposit growth and finally, record earnings.

As a result of our exceptional 2021 performance, annual incentives were earned in Q4, driving our expense line higher than in comparative quarters. We are excited to see our team achieve results above and beyond strategic goals and are thrilled to reward them for their efforts. Much of our loan growth occurred late in the year, which will be beneficial to a strong earnings start for 2022. Our pipeline remains strong. Certainly, the lingering effects of the pandemic remain present largely in the form of an extremely tight labor market.

The Phoenix banking market has seen consolidation in recent months with two Arizona chartered banks announcing plans to sell to out of state entities. With these recent announcements while new start-up banks are coming on line, the competition for talent remains a priority for RBAZ, as in most other industries at this time. RBAZ remains committed to its independence and true Arizona community banking roots.

We are grateful for the patience of our shareholders and are hopeful that recent performance has been pleasing and given them confidence in our team's ability to continue on our path to be the premier Arizona-based community business bank. RBAZ remains well capitalized and poised for continued growth, as reflected in our Bauer Five-Star bank rating.



Brian Ruisinger



Republic Bank
of Arizona

Board Of Directors

Camala C. Bailey, Founder and President, Camala C. Bailey, CPA

Christian C.M. Beams, Managing Partner, Fredenberg Beams LLC

Chad E. Cline, CFO, Symmetry Software

Regina L.R. Edwards, Ph.D., Board member for Hope's Crossing and the Phoenix Public Library Foundation

Judy A. Lynn, Managing Member, 831 Investors, LLC

Brian Ruisinger, President and Chief Executive Officer, RBAZ

Alan L. Sparks, Owner and President, Gemma Companies, LLC

Scarlett Spring, Co-Founder and Chief Executive Officer of TapRoot Interventions & Solutions

Executive Leadership Team

Brian Ruisinger, President and Chief Executive Officer

Amy Lou Blunt, Executive Vice President and Chief Credit Officer

Christine Haugen, Executive Vice President and Chief Financial Officer

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FINANCIAL HIGHLIGHTS (UNAUDITED)

(in thousands)	YTD Dec 2021	YTD Dec 2020
Total Assets	\$ 231,420	\$ 190,348
Loans & Leases	\$ 135,396	\$ 109,921
Total Deposits	\$ 205,530	\$ 166,587
Net Income	\$ 2,114	\$ 854
(Percentages)		
Return on Average Assets	0.96%	0.54%
Liquidity Ratio	45.21%	44.86%
Leverage Ratio	10.55%	9.12%

SPOTLIGHT ON BOARD MEMBER SCARLETT SPRING

ALWAYS PREPARED AND READY TO CONTRIBUTE

With an impressive resume of former and current leadership and c-suite positions, RBAZ Board Member Scarlett Spring has played a crucial role in the growth, success, and transformation of Republic Bank of Arizona. Joining the Board in 2014 during challenging times for RBAZ, Scarlett along with the rest of the board members rolled up their sleeves and went to work, helping the bank overcome operational challenges to later achieve the BauerFinancial 5-star superior rating.

"I've never been afraid, and in many ways have been attracted to this type of turnaround challenge," says Scarlett. "I'm all in as long as the leaders are serious, dedicated, and display the integrity needed to get results. And the leaders here at Republic Bank of Arizona definitely fit that description."

As an experienced CEO, her insightful understanding of the financial, commercialization and regulatory aspects of running a business has made Scarlett a valued member of the board. "Because I sit in an executive role with a core background in commercialization, I'm able to provide a commercial mindset and go-to-market strategy for the bank."

But the real strength she brings to the board is her serious approach to honoring the responsibilities of the bank's investors and shareholders. "I'm grateful that boards are becoming more diverse," she says. "Our Board has been a trailblazer in supporting women, and when you have that opportunity, you need to show up, be prepared and contribute. For me, that means being prepared and doing the work."

And that hard work is showing its rewards. "To see the bank achieve and exceed its goals is one of the things I have enjoyed the most about serving on the RBAZ board," says Scarlett.

Coming off a successful year where the bank exceeded its strategic goals and reported record loan growth, Scarlett believes the bank has differentiated itself in the local business community. "In a market where there are just not many banks that truly understand the needs of small businesses, RBAZ has been able to stand out," she says.

"When you're running a business, knowing you can talk directly to someone who knows you, understands your business, and really cares is a benefit you don't find just anywhere. Plus, we have the most talented bankers in the state," she adds. "I'm also a huge champion of supporting the local business community like RBAZ is known for."

RICH BUSINESS BACKGROUND STRENGTHENS HER ROLE

Scarlett's extensive business and leadership experience is a great asset to her role as an RBAZ board member. Having held leadership roles in Fortune 100 companies, managing billion-dollar budgets, plus co-founding a start-up company from scratch – she has experienced it all.



Board Member Scarlett Spring

She currently serves as co-founder and chief executive officer of TapRoot Interventions & Solutions, a platform technology company focused on providing real-time guidance to caregivers providing care to patients with Alzheimer's and dementia.

"At TapRoot, we believe the more personalized care you can provide, the better the outcomes for the patient as well as the caregiver,"

says Scarlett. The high rate of turnover (98.9%) in the long-term care community makes it extremely difficult to provide consistent, informative care to patients with Alzheimer's and dementia, explains Scarlett.

With the technology TapRoot is developing, individual patient's profiles are uploaded and available to the caregiver providing them information at their fingertips regarding specific sensitivities, triggers, needs, likes and dislikes of the patients. That way, the caregivers know immediately how to prevent and deescalate episodes and support residents living in the care communities.

Before starting TapRoot, Scarlett served as president and chief commercial officer for VisionGate, Inc., and served in various sales and commercial roles at Merck and AstraZeneca Pharmaceuticals.

"The bank is very fortunate to have Scarlett on our board of directors," said CEO Brian Ruisinger. "Her extensive business experience and leadership skills are a huge asset and contribute greatly to our success in building the bank's momentum to meet and exceed our strategic goals."

SERVING HER COMMUNITY

In addition to serving on the board of Republic Bank of Arizona, Scarlett also serves on the boards at publicly traded AVEO Oncology as well as the Arizona Sports & Tourism Authority. She received a Bachelor's degree in Marketing from the University of Texas at Austin and a Master's in Business Administration from Pepperdine University.

A wine enthusiast, Scarlett enjoys learning about and tasting different types of wines. She also stays active by cycling, playing pickleball, hiking and more.

SCARLETT'S STATS

Joined RBAZ Board: February 2014

Education: Bachelor's in Marketing, University of Texas; MBA, Pepperdine

First Job: Painting her high school

Born In: Texas

HIGH TECH OR HIGH TOUCH? FINDING THE RIGHT BALANCE

Amy Lou Blunt • Executive Vice President • Chief Credit Officer

The dilemma for a bank – to provide a stable, consistent, personal service-oriented environment, or provide a digital, customizable technology platform for self-directed service? Or, can we do both?

RBAZ's Board of Directors and management team spend a great deal of time and thought on what our identity and mission is, will be, and should be. Then the strategic plan incorporates methods and tools to create this culture and delivery systems for our clients. We have traditionally provided a form of boutique banking for small to mid-size businesses, with a strong emphasis on face-to-face interaction, sharing of professional contacts, and experienced bankers in advisory roles. While this remains relevant to our client base, so does the onslaught of digital services and ease of access through technology platforms.

RBAZ is launching a variety of technology enhancements, and is also reviewing several services for the future. Providers are currently upgrading existing platforms as the latest versions add greater security and value.

I have reviewed a number of automated loan decisioning products to assist in shortening the turnaround time of loan applications.

At this point, I have yet to find the right solution for RBAZ. There are a number of products designed specifically for small unsecured lines of credit, but so far, none that address the lion's share of our business, which is commercial real estate lending. Several are in development or beta-testing, so I will continue to pursue this technology with the hope of streamlining and expediting the process from application to funding.

While we are consistently looking for ways to improve your experience, the accessibility to your banker -- the one who knows you and your business -- remains key to a solid financial relationship. That was proven throughout the PPP days, and, in my humble opinion, remains true for all time. All "RBAZ time" anyway!



Amy Lou Blunt

EXCEPTIONAL 2021 PERFORMANCE EXCEEDS GOALS

Christine Haugen • Executive Vice President • Chief Financial Officer

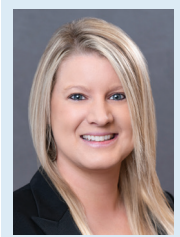
The fourth quarter of 2021 highlighted record loan growth and closed out an exceptional year for Republic Bank of Arizona. The team achieved results above and beyond strategic goals for the year including significant loan and deposit growth and an annual net income up 148% over the prior year. Management is proud of what the team accomplished and was excited to reward the team for their hard work and dedication in the form of annual incentives.

Loan and deposit growth both exceeded budget for the year. Loans were up \$25.5 million or 23.2% from December 31, 2020. This increase consisted of \$35.4 million or 32.2% in net portfolio loan growth, offset by \$9.9 million of Paycheck Protection Program ("PPP") loan forgiveness received during the year. Deposits increased \$38.9 million or 23.4% from December 31, 2020 as the Bank continued to achieve results from initiatives introduced in 2020, deepened existing relationships and earned new business through increased marketing efforts and online presence.

Total assets for the year ended December 31, 2021 were \$231.4 million (or \$226.8 million excluding PPP loans) compared to \$190.3 million (or \$175.8 million excluding PPP loans) at December 31, 2020, an increase of \$41.1 million or 21.5% (or \$51.0 million or 29.0% excluding PPP loans).

Earnings were \$447,000, or \$0.25 per share, for the quarter ended December 31, 2021 compared to \$460,000, or \$0.25 per share, for the comparative quarter in 2020. The Bank earned an annual net income of \$2,114,000, or \$1.17 per share, in 2021 compared to \$854,000, or \$0.47 per share, in 2020.

The Bank remains Well Capitalized with a 10.55% leverage capital ratio and maintains its Bauer five-star rating.



Christine Haugen

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ARIZONA BUSINESSES BANK WITH US

\$2,800,000

CRE Term Loan
International Supply Co.
Phoenix

\$2,170,000

CRE Term Loan
Retail Center
Mesa

\$700,000

CRE Term Loan
MRB Lab
Phoenix

\$748,000

Equipment Loan
MRB Lab
Phoenix

\$1,000,000

RLC
CPA firm
Phoenix

\$4,500,000

CRE Term Loan
Hospitality
Cave Creek

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RBAZ's CULTURE CLUB HELPS RAISE MONEY FOR AUTISM RESEARCH



Thanks to the Culture Club for organizing RBAZ's participation in the 17th Annual Zoowalk for Autism Research. We appreciate those who volunteered to take a stroll around the Phoenix Zoo to help raise over \$100,000 for autism research at ASU!